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# THE Agricultural Situation

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## SPECIAL SCHOOL MILK PROGRAM WINS PROMPT ACCEPTANCE

**T**HE NEW Special School Milk Program of the U. S. Department of Agriculture has won prompt acceptance, in its drive to increase the consumption of milk by school children.

The Program was announced by Secretary of Agriculture Ezra Taft Benson on September 10. And, only 5 days later, on September 15th, the first of the States signed an agreement to come into the Program. Appropriately, that was Wisconsin—the leading dairy State.

Wisconsin's promptness in deciding to join in the Program is significant in view of the importance this new activity has for school children and for dairy farmers.

The new Program means much to the school children who will be able to get more milk. There's ample room for expansion in the amount of this nearly perfect food which is used by school children. As they're enabled to get more milk, they'll enjoy more of its health benefits, both now and in their future lives. Since milk drinking is a habit that lasts, these children will be reaping benefits from the Program for many years ahead.

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Corollary to its benefit to school children is the gain the new Program provides to dairy farmers, distributors, and others in the industry. Beyond the immediate sales increase, and more important, is the fact that markets for

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and milk will be expanded still further in the future years when today's children grow into tomorrow's adult food buyers.

This Special School Milk Program was established by action of Congress. The Agricultural Act of 1954 provided that—beginning September 1 this year and continuing through the end of June in 1956—not to exceed \$50,000,000 annually be used to increase the consumption of fluid milk by children in non-profit schools of high school grade and under.

This authorization of Congress is being carried out by the "reimbursement" method, with the milk being bought by the schools directly from local distributors. The reimbursement method has been used successfully for many years in the operation of the National School Lunch Program. And it was recommended, for the School Milk Program, by representatives of dairy industry, and the School Lunch Advisors to the Department, in a conference with Department officials.

The Special School Milk Program operates through the same chain of Federal, State and local responsibilities which have worked so well in the National School Lunch Program. Nationally, it is administered by the Department's Agricultural Marketing Service—the agency which operates the School Lunch Program. In the States, the School Milk Program is administered by the State's educational agency. One exception to that occurs in the States where the educational agency is prohibited by law from disbursing funds to private schools. In those cases, AMS administers the program directly to such schools.

To participate in this Special School Milk Program, schools must meet the Act's requirement that they be non-profit, and of high school grade and under. In addition, they must agree to operate their food and milk service on a nonprofit basis, and to serve fluid whole milk meeting State and local standards for butterfat content and sanitation.

The Program stimulates increases in milk consumption in several ways. It will make possible the initiation of milk service in many more schools, and will increase consumption in schools already serving milk to a part of the

## Outlook Conference

October 25-29

WHAT IS THE OUTLOOK for farming in 1955? What changes are taking place, if any, that will make conditions different in the coming year from 1954? Answers to such questions will be sought at the 32d Annual Outlook Conference which is to be held in the Thomas Jefferson Auditorium, in the Agriculture Department, Washington, October 25-29.

Economists and farm extension workers from every State in the Union will take part in the conference discussions.

Our country's economic policy will be discussed by a high level Treasury Department representative and Assistant Secretary of Agriculture Earl L. Butz will speak on "Agriculture and Our National Economy." Other economists and analysts in the Agriculture Department will present outlook statements on demand and price and the various commodities, followed by discussions and questions from the floor, dealing with factors affecting agriculture and family living for 1955 and the years ahead.

The last 3 days of the conference will be devoted to work sessions for State delegates, with appropriate USDA resource people on background and interpretation of outlook statements and their application to State situations.

school enrollment. It also emphasizes milk's importance as a food for growing children, and arouses community interest in providing children with adequate amounts. In addition, the Program makes it possible to reduce overall costs of milk servings in schools. It makes this cost reduction possible by reimbursing the schools for a part of the cost of the milk they serve in excess of their normal use.

To determine consumption increases, a "base" has been established for each participating school—following the pattern of milk use during the last school year. Reimbursement is paid on amounts of milk served in excess of this base.

Schools which have not been serving milk have unlimited opportunity to make milk available to their students and will be allowed Federal reimbursement of up to 3 cents per half-pint for milk they serve under the new Program.

*(Continued on page 16)*



# More Effective Use of Cotton Through Marketing Research

**M**ARKETING RESEARCH in the Department of Agriculture includes work to make more effective use of cotton and, particularly, to strengthen the position of cotton in competition with synthetic fibers.

A better knowledge of the fiber characteristics best suited for each cotton fabric will contribute to the general improvement of the marketing system and to the increased utilization of cotton. It should aid cotton breeders and producers in developing and selecting varieties adapted to specific end uses for which dependable market outlets are available, and will help manufacturers produce superior quality products at a given cost or the same product for less cost. The need for such information has been intensified by the rise of the synthetic fiber industry and the development of specific fibers especially suited to compete with particular segments of the cotton industry.

A study now being conducted by USDA's *Agricultural Marketing Service* is designed to determine the qualities of raw cotton utilized in the manufacture of the principal cotton products, and to show the relationships of the qualities used to the various raw cottons produced. Individual bales of cotton have been sampled from about 1,000 mill mixes from which 48 cotton textile products were produced. Detailed quality evaluations involving classification and fiber length, strength, fineness and maturity determinations have been made of each bale sampled. Mill manufactured yarns and fabrics have also been sampled and tested and evaluated through comparisons with products made from the same raw cotton mixes in the Department's laboratories and with selected lots of cotton of known history.

Results of the mixes thus far analyzed show that there is a large amount of overlapping between the qualities of cotton used in widely different fabrics (see table on page 4). For example, "average" qualities of cotton—grade of Strict Low Middling, staple length of

1½ inches, fineness of 4.5 micrograms per inch, and tensile strength of 80,000 pounds per square inch—were used by at least some mills to produce fabrics in each of the major product groups shown in the table. The results also show a rather wide range of grades and staples going into each of the major groups of cotton products. In general, longer staple lengths and higher grades were used in the finer, light-weight fabrics, but virtually no differences were observed between the average fineness and tensile strength of the cotton used in the various fabric groups.

## Mills Apply Research Results

For many years cotton was bought largely on the basis of grade and staple length only. In recent years, however, the results of the tests made in the studies under review, and in other Government and non-Government research, have shown that other properties, particularly fineness and tensile strength, are also highly important.

The tests have also shown the mills that opportunities exist for reducing processing and raw cotton costs, and for improving the quality of the yarns and fabrics produced.

To an increasing extent mill men are applying the results of such research, both to improve quality and to reduce processing costs. Testing laboratories are being established in cotton mills at an increasing rate for determining the quality of the raw cottons used and for evaluating the resulting yarns and fabrics. Many cotton merchants also have testing facilities now and will sell cotton according to specifications for fineness and tensile strength. Production of cotton in one-variety communities, the identification of bales by variety and area of growth and the development of an automatic sampler which provides samples of cotton from throughout the bale are additional steps which will aid mill men in selecting desirable raw materials.

## Increased Market Outlets—Examples

The most recent phase of the Department of Agriculture's study for which results have been released included cotton in fancy or dress denims and in tufted rugs, carpeting, bedspreads and other tufted products.

The fancy or dress denims were manufactured from cottons averaging from Strict Low Middling to Middling in grade and about 1 inch in staple length. Cotton consumption in these fabrics has increased each year since the end of World War II, from an estimated 14,000 bales in 1945 to 166,000 bales in 1953. Demand for denims, particularly in sportswear, children's wear, and women's suits and dresses, has been stimulated by the bright colors and smart styles made available by cotton manufacturers. It is felt that these fabrics alone, within the next few years, may provide a market outlet for 200,000 bales of cotton per year.

Tufting yarn—the face yarns of tufted bedspreads, rugs, carpeting, and other tufted products—are made from cotton ranging in grade from Strict Low Middling Spotted to Strict Middling, and in staple length from  $\frac{7}{8}$  inch to  $1\frac{3}{32}$  inches. Production of tufting yarns increased sevenfold from 1942 to 1953, and in the latter year required about one quarter million bales of cot-

ton. Large quantities of duck and sheeting are used also in tufted products as backing for the face yarns. Cotton tufted bedspreads and rugs have become increasingly popular in recent years and consumption of cotton in tufting yarns shows prospects of reaching 300,000 bales a year. Another phase of the study, which is in progress currently, deals with carded sales yarn which approximated a market outlet for over one million bales of raw cotton in 1952, according to a recent survey made by the National Cotton Council.

In review, the requirements and preferences of cotton manufacturers are not definitely fixed. Demands for different qualities change as new or expanded uses are developed, or as techniques of manufacturing vary. Changes in the relative supplies and price of the different qualities of cotton also affect the quantities used from one period to another. From an economic standpoint, however, greater efficiency in the utilization of cotton—either through the production of superior quality products at the same cost or of equivalent quality products at lower cost—would be of benefit to consumers, producers and other segments of the cotton industry.

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Wallace L. Ashby

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## Typical Qualities of American Upland Cotton Consumed in the Major Cotton Textile Products

Product group	Typical qualities—range of mill mix averages				
	Grade <sup>1</sup>	Staple length	Fibrograph upper half mean length	Fiber fineness	Fiber tensile strength
Cotton broad woven goods:		<i>Inches</i>	<i>Inches</i>	<i>Micrograms per inch</i>	<i>1,000 lbs. per sq. in.</i>
Duck.....	M to LM.....	$\frac{3}{4}$ to $1\frac{1}{16}$ .....	.86 to 1.06	3.6 to 5.4	71 to 89
Sheeting and allied fabrics.....	M to LM.....	$\frac{3}{4}$ to $1\frac{1}{16}$ .....	.89 to 1.11	3.6 to 5.6	72 to 92
Print cloth yarn fabrics.....	SM to LM.....	1 to $1\frac{1}{8}$ .....	.99 to 1.13	3.8 to 4.8	71 to 93
Colored yarn goods.....	SM to LM.....	$\frac{3}{4}$ to $1\frac{3}{32}$ .....	.92 to 1.14	3.3 to 5.4	70 to 90
Toweling.....	SLM to LM.....	$3\frac{1}{32}$ to $1\frac{1}{32}$ .....	.98 to 1.10	3.3 to 4.6	68 to 84
Napped fabrics.....	M to LM.....	$1\frac{1}{16}$ to $1\frac{1}{16}$ .....	.95 to 1.10	3.6 to 4.9	73 to 83
Combed goods.....	SM to SLM.....	$1\frac{1}{32}$ to $1\frac{1}{4}$ .....	1.03 to 1.27	3.3 to 4.8	73 to 98
Knit goods:					
Carded.....	GM to SLM.....	$3\frac{1}{32}$ to $1\frac{1}{16}$ .....	.99 to 1.10	3.8 to 4.9	73 to 85
Combed.....	GM to SLM.....	1 to $1\frac{1}{4}$ .....	.97 to 1.30	3.6 to 4.7	71 to 92
Tire cord and fabric.....	M to LM.....	$3\frac{1}{32}$ to $1\frac{1}{32}$ .....	.97 to 1.11	3.8 to 4.8	71 to 90

<sup>1</sup> GM=Good Middling, SM=Strict Middling, M=Middling, SLM=Strict Low Middling, and LM=Low Middling.

# If Fire Strikes Are You Prepared?

**P**RESIDENT EISENHOWER has called upon all citizens to wage a year-round campaign against the waste of life and property caused by preventable fires. His proclamation set aside the first week in October as Fire Prevention Week—a time for farm organizations, schools, civic groups and others to get organized behind a common purpose—but his main emphasis was on a year-round campaign by all farmers and all citizens to prevent needless damage by fires.

## To Prevent Fires . . .

**REPLACE LIGHTNING RODS** or wires that are damaged or worn. Be sure ground connections are secure. Since most farm houses are now wired for electricity, it is important to have lightning arresters to ground any that comes in over the electric supply wires.

**Chimneys**—Rebuild defective chimneys and see that heating apparatus is properly installed and insulated. Keep chimneys, flues, and stoves clean.

**Combustible Roofs**—Use fire-resistant roofing wherever possible. When you don't have it, install spark arresters on chimneys. Keep roofs in repair and gutters and downspouts clean.

**Defective Heating Apparatus**—Overhaul, clean, repair, and replace any worn parts of heaters or heating systems. Use sturdy fireplace screens of the right size to effectively protect room furnishings from sparks.

**Careless Smoking and Matches**—Cultivate careful smoking habits. Keep matches in metal containers away from children.

**Flammable Liquids**—Never store gasoline, benzine, naphtha, or similar volatile flammable liquids in the house. Do not use kerosene, gasoline, or any flammable liquid to start or boost fires in stoves, ranges, or fireplaces.

**Spontaneous Ignition**—Do not store wet hay in barns.

**Rubbish**—Remove rubbish regularly from house and service buildings. Do not let oily rags accumulate. Burn debris outdoors only on still, damp days.

**Electrical Defects**—Replace worn or frayed wiring. Replace or repair defective electrical appliances. Use proper fuses for your electrical circuits.

**Water Supply**—Have sufficient water close by for emergency fire use. Place fire extinguishers about the farm buildings, and organize the farm family and personnel into a trained fire brigade.

Last year farm fires cost United States farmers an estimated \$139,000,000 in property loss and more than 3,000 persons perished. If fire should attack your farm today, are you prepared to fight it efficiently until the fire department arrives?

Do you know how to summon the nearest available fire-fighting forces, and how to direct them to the scene of the fire quickly and accurately?

## Be Prepared—Why Not?

A minimum of fire-fighting equipment for your farm should include:

- An adequate supply of water available at any season of the year for the use of fire trucks and portable pumps.

- Approved fire extinguishers conveniently placed near all hazardous locations, such as the barn, machine shed, and storage tanks of gasoline and kerosene. (*The type of extinguisher best suited to your needs can be recommended by the local fire department. Know how to use and recharge them.*)

- Garden hose or filled water barrels and buckets strategically located.

- Safe ladders long enough for rescue purposes and to reach the highest flammable rooftop.

- A back-pack pump, fire swatter, wet brooms, or wet burlap bags to fight field fires.

## Beef and Cheese Feature October Food Plentiful

**BEEF AND CHEESE** are top items on the U. S. Department of Agriculture's Plentiful Foods List for the month of October.

Beef continues in heavy supply, with offerings swelled by seasonally heavy marketings of grass-fed cattle. Stocks of cheese are at record levels, with wide varieties of types and packages available to consumers.

Eggs are also in generous supply and a fitting feature for heartier autumn breakfasts. Broilers and fryers, hens, and turkeys are other poultry products listed. Milk and other dairy products continue plentiful. Rice is also in good supply, along with vegetable shortening and salad oils. And fish to look for in October are haddock and shrimp.



# Visualizing Changes in the Supply and Use of Our Farm Food Products

HAS THERE BEEN an increase in the use of food products in the last quarter-century? Most farmers and people dependent on agricultural activity (and who is not since we must all eat and be clothed) would certainly say "yes." They know that production is higher and marketings are larger, or maybe that we now import or export more or less than we formerly did. But there are many who would say that they do not have a very clear idea of the changes that have taken place in production, foreign trade, stocks, and domestic use.

The accompanying chart helps to answer these questions by showing how the total utilization of farm food products (excluding cotton, tobacco, shorn wool, hay, field seeds, and other products that have no food use) can be constructed.

Picture total utilization as a tank which must be drained each year. Production, imports, and net withdrawals from stocks fill it. Domestic food and nonfood use, and exports and shipments empty it. When the total supply from production and imports exceeds total utilization, stocks accumulate and are available for use in the following year, as in 1953. By comparing the size of the utilization tank in different years, as well as the size of the flows from the several sources, and the flows into channels through which it is emptied, we can get a good picture of the changes that have taken place from year to year.

## The Last 30 Years

From 1924 to 1953 total food and non-food use of farm food products increased more than 40 percent, but with several ups and downs. Total use went up gradually until the depression period of the thirties, fell off for several years, and then climbed steadily to a peak in 1944—as World War II brought heavy demands upon agriculture. After the end of the war, the use of agricultural food products fell off some, then rose again to an all-time high in 1953.

Does this mean that the average American has increased his use of food products? Maybe "yes," but we must remember that we now have more people to feed. In the last 30 years total domestic utilization of food commodities for food and nonfood purposes (after correcting for the quantity which we ship abroad) and the number of people in the United States increased about the same amount.

What proportion of the quantity of farm food products used annually do our farms contribute? Usually our current production has supplied 90 to 95 percent. Imports and stocks (*which are made up of previous production and imports*) have supplied the remainder. And more than one-half of these imports consist of commodities which are not grown on our farms, *such as coffee, tea, cocoa beans, and bananas.*

Of course, in the drought years 1933–36, production was very low. Imports, consequently, were more important in those years. On the other hand, submarine attacks, shortage of shipping space, and other war developments in World War II reduced the contribution of imports to our use in those years. Reported stock changes in most years amounted to less than 3 percent of the flow of farm food products.

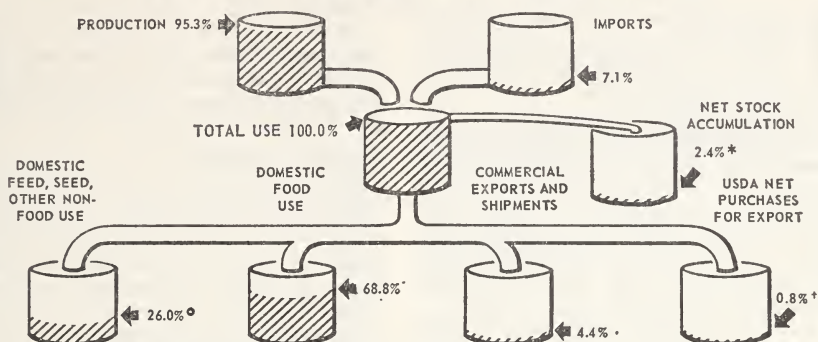
Interestingly enough, unusually large annual stock accumulations took place in 1937 and 1948. The former year preceded a recession in the whole economy and followed a drought year; and in the last quarter of 1948 we had the beginnings of the 1949 deflation.

So far we have considered the *supply* side of the total use of agricultural food products.

On the *distribution* side, the largest share of the total utilization of agricultural food products—at least 94 percent yearly—was used here at home. At the most, one-third of this domestic use has been for seed, feed, industrial alcohol, alcoholic beverages, leather, soap, drying oils, and other miscellaneous nonfood uses, as well as some waste



# SUPPLY AND USE OF FARM FOOD PRODUCTS, 1953



SOURCE: PRELIMINARY DATA, INDEX OF SUPPLY-UTILIZATION OF AGRICULTURAL FOOD PRODUCTS. DATA ARE BASED ON VALUE RELATIONSHIPS EXPRESSED IN TERMS OF 1947-49 FARM PRICES.

\* AVAILABLE FOR 1954 INCLUDES FARM, COMMERCIAL, AND USDA PRICE SUPPORT STOCKS; EXCLUDES USDA STOCKS HELD FOR EXPORT.

◊ INDUSTRIAL ALCOHOL, ALCOHOLIC BEVERAGES, LEATHER, SOAP, DRYING OILS, AND MISCELLANEOUS NONFOOD USE, AS WELL AS SOME WASTE AND LOSS AT THE FARM LEVEL.

† REPRESENTS FOREIGN DELIVERIES BY USDA, ADJUSTED FOR STOCKS HELD FOR EXPORT; EXCLUDES USDA PRICE SUPPORT STOCKS.

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NEG. 1106-54(9) AGRICULTURAL MARKETING SERVICE

and loss at the farm level; two-thirds or more being used for food.

Last year each person in the United States used for food 9 percent more agricultural food commodities than in 1924. This does not mean that the actual number of pounds of food used increased by 9 percent. Because total utilization is measured by valuing the individual commodities in terms of their average 1947-49 prices, year-to-year changes include shifts from lower-priced to higher-priced farm commodities as well as changes in physical weight. For example, if each person decreased his use of crop products 10 pounds and increased his use of live-stock products (*which are generally more expensive*) by 10 pounds, there would be no change in the physical quantity of food used. But, in terms of dollar values at fixed prices, food use would show a rise.

The makeup of the poundage of food that we use is, therefore, very important to our farm economy. There is quite a lot of difference among foods in amounts of farm resources used to produce them. Some folks say the capacity of the human stomach cannot be stretched, but certainly we can *vary*

## Looking At The Chart

WE SEE from the above chart that most of the food we use (*over 95 percent*) is produced right here in this country; also the biggest portion of it is used here at home.

It is also interesting to note that the carryover or *stock accumulation* from one year to the next is relatively small compared to what we use. We are constantly reminded of the large surpluses of food stored away each year. True enough, some of the stocks (such as butter and cheese and wheat) are large, when measured in pounds and tons. As a percentage of the total food used, however, the build-up of stocks in a year is relatively small.

And this helps to explain why it is that a small increase in export sales can have a big effect in steadying farmers' prices. The same is true when we are able to find a new outlet for a product, or products, here at home—or when we manage through salesmanship and better distribution to boost consumption. Even a small percentage increase can take "quite a bite" out of the accumulating stocks.—EDITOR.

the types of food we put into it. That is exactly what we have done. In 1947-49 prices, per capita domestic food use, excluding coffee, tea, bananas, and other commodities not produced in this

# Outlook Highlights

. . . October 1954

**T**HE DEMAND for farm products reflects record incomes after taxes and some increase in exports of agricultural products.

Foreign takings of farm products in the 1953-54 fiscal year totaled 4 percent above a year earlier, as large exports of cotton and tobacco more than offset the decline in exports of wheat and flour. Supplies of farm products continue large, however, and average prices to growers have been running a little below those of a year ago.

General business activity has held relatively steady in recent months at

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*(Continued from page 7)*

country, was valued at \$37 for crops and \$92 for livestock products in 1924; last year these had changed to \$36 and \$105. The decrease in crop use meant that farmers received \$0.2 billion less for crops than would have been expected on the basis of the 1924 pattern of use and the population increase from 1924 to 1953; on the other hand, the value of livestock and livestock products in 1953 was up \$2.1 billion.

The remaining share of total utilization, after allowing for domestic food and nonfood uses, goes to commercial exports and shipments, and to the United States Department of Agriculture for export.

Prior to the Second World War our exports had a definite downtrend, dropping to less than 2 percent of our annual flow of farm food products in the midthirties. Much of the decline was in wheat, pork, and lard. During World War II and postwar years exports rallied sharply from prewar lows and surpassed previous highs.

The Department of Agriculture under Lend-Lease, UNRRA, and other military aid and economic assistance programs handled three-fourths of our exports in the war years. In the last 2 years—1952 and 1953—most of our exports and shipments have moved through commercial channels.

Martin J. Gerra  
*Agricultural Marketing Service*

levels moderately below a year earlier. Industrial production has been down a little from a year earlier. Government spending has been reduced and there has been a small drop in employment in nonagricultural industries. But construction outlays have reached a new high and incomes after taxes are holding near the record levels of the first half of this year. Consumer buying also has held near record levels.

## Farmers' Income

Farmers received about 17.4 billion dollars from marketings in the first 8 months of 1954, about 4 percent less than for the same period last year. Some 11 billion dollars was from livestock and livestock products.

Production expenses of farmers have been about the same as last year and farmers' realized net income in the first half of 1954 was at an annual rate of \$12.5 billion compared with \$13.4 billion for the first half of 1954.

## Meat Animals

Hog prices this fall have been well below the highs of last spring. The downward seasonal trend will continue until late October when fall peak in slaughter is likely to be reached. Declines after that probably will be small. Although below a year earlier, hog prices probably will be close to an average relation with corn prices.

Cattle slaughter has shown a smaller increase this fall than last winter and spring. Although grass cattle prices are likely to decline seasonally, strong demand for feeder cattle probably will hold them as high or higher than last fall. Comparatively stable prices are in prospect for fed cattle.

## Dairy

Milk production dropped below a year earlier in August for the first time in 2 years. Drought and lower prices were mainly responsible. With consumption of fluid milk up slightly, sales of butter and cheese to the Government in August were only about half those of last year. But sales of nonfat dry milk were nearly as large.

## Eggs and Poultry

Farmers plan to market the record 1954 turkey crop earlier than usual. Number of birds produced is up 9 per-

*(Continued on page 10)*

# *Social Security Benefits Extended to Farmers*

THE LAST CONGRESS completed action that extends Old Age and Survivors Insurance to millions of farm people. Other provisions of the amendments to the Social Security Act raise the amount of benefits to present and future beneficiaries, extend coverage to many State and local government workers and certain other nonagricultural workers, permit larger earnings after retirement without disqualification for benefits, protect benefit rights of disabled persons, and increase the amount of annual earnings on which contributions and benefits are based.

For many years, the need of farm people for economic security in old age has been widely recognized, but differences between farming and other occupations made legislators and others fearful that administrative difficulties would be great if the program were extended to farm people. Several factors led to a change in this point of view. Coverage of self-employed businessmen following the 1950 amendments demonstrated that the Old Age and Survivors Insurance program could be applied to self-employed persons as well as to wage and salary workers. Coverage of regularly employed hired farm workers under the same legislation demonstrated the feasibility of the program for farm wage workers. Also, increasing knowledge among farm people of the operation and benefits of the Old Age and Survivors Insurance program led farmers and others interested in their welfare to question seriously whether farmers should longer be excluded from coverage.

## **Department Made Surveys**

Beginning in 1951, the Department of Agriculture undertook a series of studies on farmers' provisions for economic security in old age, their plans for retirement, and their views about the Social Security program. Interview surveys of farm people were made in areas of Wisconsin, Connecticut,

Texas, and Kentucky, in cooperation with the Agricultural Experiment Stations in each of these States. In every area studied, it was found that many farmers had not accumulated adequate resources for retirement and that a majority favored extension of the Federal Old Age and Survivors Insurance program to farm people. The results of these studies were reported to the Committees of Congress which were studying proposed changes in the law during the session just completed. Under Secretary of Agriculture Morse testified to the House Ways and Means Committee on behalf of the Department that the information available indicated that farmers wanted the protection of Old Age and Survivors Insurance, that they needed it, and that they should have it.

Beginning January 1, 1955, all farm operators who earn \$400 or more a year net income from their farming operations will be covered under the Old Age and Survivors Insurance program. Coverage is also extended to hired farm workers who earn \$100 or more cash pay in a year from any one farmer. Under the present law many more hired farm workers will be covered than under the law in effect since 1950.

## **How the Program Works—Examples**

Information on the details of how the program operates is available at all local offices of the Social Security Administration. A leaflet issued by that agency entitled "Facts for Farm Families" answers many of the questions farm people will have about their obligations and benefits under the amended Social Security Law.

Let us take just 1 or 2 examples. Suppose Farmer Brown is 50 years of age, his wife is the same age, and he averages a net income of \$2,400 a year. His annual contribution will be 3 percent, or \$72, to be paid at the time he pays his income tax for the preceding year. Coverage under the program will begin for Mr. Brown on January 1,



1955, although he will not pay his first year's tax until early in 1956. If he keeps earning about the same net income for 15 years and retires when he and his wife have reached age 65 (with no children under 18 years of age), they will receive \$117.80 a month as long as they both live, and the survivor will receive a reduced amount for the rest of his or her life.

But suppose Farmer Brown dies in 1958 after paying Social Security tax for only 3 years (\$216), leaving Widow Brown with two small children. As long as the children are under 18 years of age, Mrs. Brown will receive each month a Social Security check for \$157.10.

For farmers who are near retirement age, the program offers a definite advantage. If 63-year old Mr. Smith, married to a woman the same age, has the same scale of farming operations as Mr. Brown, he can retire after paying the tax for only 2 years. For a total investment of \$144, (3 percent of \$2,400 multiplied by 2) he and his wife will get \$117.80 a month as long as they both live.

Because of the special provisions for those nearing retirement age to become covered under the OASI program in a shorter than normal period, the benefits of the new coverage will be felt in rural communities within a few years. The financial burden of the Old Age Assistance program, which has been much heavier in rural than urban areas, will be lightened as farmers and hired farm workers retire on insurance rather than on public assistance.

There is also a special provision to eliminate the task of bookkeeping for small-scale farmers. If the operator's gross sales are not over \$1,800 he may simply estimate his net income as one-half the value of his sales, without any itemizing of expenses.

For larger-scale farmers, there is a special provision to enable them to retain coverage for a year in which expenses were unduly high or sales were unduly low because of crop failure, catastrophes or other reasons. If such a farmer fails to show a net income of as much as \$900 under such circumstances, he may report and pay tax on a net income of \$900 provided his gross sales were more than \$1,800.

Farmers, as well as others covered,

will pay their Social Security tax only on the first \$4,200 of the year's net income. Earnings above that are not taxed for Social Security purposes.

An early issue of *The Agricultural Situation* will carry an article dealing with the Social Security coverage of hired farm workers and explaining the reporting required by farmers who employ hired farm workers. In the meantime, farmers may get full explanation of their part, and their obligations, in the entire program by consulting the nearest Social Security Office.

Louis J. Ducoff  
Margaret Jarman Hagood  
*Agricultural Marketing Service*

## Outlook Highlights

*(Continued from page 8)*

cent from 1953 but increase in pounds is smaller because of larger gain in output of small breeds than in heavy. Prices may strengthen seasonally as demand rises with cooler weather and the approach of holidays. Heavy production has been holding egg and chicken prices well below a year ago.

### Oilseeds

Prospects for the record 1954 soybean crop improved from 304 million bushels on August 1 to 325 million on September 1. Soybean meal prices declined sharply as harvest got under way. Cottonseed production, reflecting the decline in cotton acreage, is expected to be down to 4,857,000 tons this year, lowest since 1950. Use of peanuts for food and farm purposes this year probably will exceed production. The flaxseed crop, indicated on September 1 at 42.2 million bushels, is largest since 1949 and well above estimated commercial use.

### Feed

Seasonal declines in corn prices are expected the next 2 months. However, the reduction in the crop from 1953 and the large quantities under price support will moderate the drop. Total supply of feed concentrates is estimated to be up 5 percent from last year, 9 percent from average, based on September crop report. Allowing for the prospective increase in grain consuming ani-

*(Continued on page 16)*

# Many Dairy Farmers Pool Their Sales Through Milk Marketing Orders

**A**BOUT one-third of the fluid milk and cream consumed in urban areas of the United States is now handled under Federal milk marketing orders. These orders apply to 51 milk marketing areas in which slightly more than one-fourth of the Nation's population lives. Some of these regulations have been in effect in one form or another for more than 20 years. Under consideration now is the establishment of orders for nine additional areas where hearings already have been held.

What is a Federal milk marketing order? How is an order established? What are its mechanics? These are some of the questions currently being received by the Agricultural Marketing Service which is now charged with the administration of the Agricultural Marketing Act of 1937, the Federal legislation which authorizes the establishment of the orders.

Briefly, a Federal milk marketing order is a regulation issued by the Secretary of Agriculture which places certain requirements on the handling of milk in the area for which it is issued. It requires that dairy farmers regularly supplying the market be paid not less than certain minimum "classified" prices established in accordance with the way, or form, in which the milk is sold.

The minimum prices for fluid milk are usually varying amounts above the price paid for manufacturing milk. Generally, the pricing plan used will provide greater returns per hundred-weight to dairy farmers during the fall or short-production months than in the spring and other flush-production months.

The various formulas for calculating the price of milk are in many instances based on the market price of butter and nonfat dry milk solids or on prices paid to producers by condenseries. Orders also require that payments by handlers to milk producers are to be pooled either market-wide or by individual handlers and then paid out to individual farmers on the basis of a uniform, or average, price. Milk market-

ing orders do not set prices paid by consumers.

How is an order established? In general, by a process which gives all interested persons an opportunity to have their say. The first step is for someone to file a petition with the Secretary of Agriculture asking that a Federal order be established. Such a petition is usually filed by a group of producers or by cooperative associations representing them.

When such a petition appears to be well founded, a hearing is called and every producer and handler in the area is notified of the hearing and asked to attend and present any facts which they wish to offer. Often the transcript of testimony at such a hearing will cover several hundred pages.

When all the evidence is in, economists and marketing specialists go over it carefully and draft a marketing order based on the evidence. That marketing order is then submitted to all of the producers and handlers for any exceptions they wish to make to it. Any exceptions are carefully considered and the proposed marketing order may be modified because of the exceptions. The marketing order is then issued by the Secretary of Agriculture and submitted to producers for their approval or disapproval. If two-thirds or more of the producers in an area where a market-wide pool is proposed approve, the Secretary of Agriculture then establishes the marketing order. After the establishment of the order a milk market administrator is appointed by the Secretary of Agriculture to carry it into effect. The administrator has a staff of clerks, accountants, and others to help him.

## Assure Stable Market

What do Federal Milk marketing orders do? In broad general terms they assure farmers of steady, dependable markets and prices for their milk and assure consumers of adequate supplies of pure and wholesome milk. The fixing of prices and the pooling of pay-



# Milk Marketing Orders in Effect October 1, 1954

Black Hills, S. Dak.	Memphis, Tenn.	Rockford-Freeport, Ill.
Boston, Mass.	Merrimack Valley, Mass.	San Antonio, Tex.
Cedar Rapids-Iowa City, Iowa	Milwaukee, Wis.	Sioux Falls, Mitchell, S. Dak.
Central West Texas	Minneapolis-St. Paul, Minn.	St. Louis, Mo.
Chicago, Ill.	Muskegon, Mich.	Sioux City, Iowa
Cincinnati, Ohio	Nashville, Tenn.	South Bend, La Porte, Ind.
Cleveland, Ohio	Neosho Valley, Kans.-Mo.	Southwest, Kans.
Columbus, Ohio	New Orleans, La.	Springfield, Mass.
Dayton-Springfield, Ohio	New York City	Springfield, Mo.
Detroit, Mich.	North Texas	Stark County, Ohio
Dubuque, Iowa	Oklahoma City, Okla.	Toledo, Ohio
Duluth-Superior (Minn.-Wis.)	Omaha, Lincoln, Council Bluffs, (Nebr.-Iowa)	Topeka, Kans.
Fall River, Mass.	Paducah, Ky.	Tri-State (Vicinity in Ky., W. Va. and Ohio)
Ft. Smith, Ark.	Philadelphia, Pa.	Tulsa-Muskogee, Okla.
Ft. Wayne, Ind.	Puget Sound, Wash.	Wichita, Kans.
Kansas City, Mo.	Quad Cities (Davenport, Clinton and Bettendorf, Iowa; and Rock Island and Moline, Ill.)	Worcester, Mass.
Knoxville, Tenn.		
Lima, Ohio		
Louisville, Ky.		

ments to farmers have already been noted. The prices of milk are usually based on two classes of milk which are defined in the order. Class I is milk which must meet the requirements of local health regulations and is used for bottling, in milk drinks, or to yield whipping or coffee cream. Class II is milk delivered by farmers in excess of the actual needs for such "high-valued" uses and therefore must be used for manufacturing purposes: to make butter, nonfat dry milk solids, evaporated milk, and other manufactured products. Handlers make a strict accounting of how much milk they sell as Class I and how much as Class II. In this way each farmer-producer in the area gets an equal break in the sale of his milk. Farmers are also assured of accurate weighing and testing of their milk. One of the little-known but extremely valuable services that is provided by the administrators of milk marketing orders is to provide factual information on the current levels of supply and demand and prices of milk in their own marketing area and in other influential areas.

There are two publications available which give more details about milk marketing orders: "Questions and answers on Federal milk marketing orders" and "How Federal milk market-

ing orders are developed and amended." Both of these can be obtained from the Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C.

C. R. Briggs  
*Agricultural Marketing Service*

## 1954 Yearbook Is

### On "Marketing"

THIS YEAR'S Yearbook of Agriculture, just off the press, is entitled "Marketing."

Not as bulky as in past years, it is a book of some 500 pages and contains 88 well-selected chapters—all dealing with various marketing subjects.

The chapters were written, for the most part, by employees of the U. S. Department of Agriculture, including the Agricultural Marketing Service and other agencies. Some college professors and workers in private firms also had a part. All are specialists in their fields. What they wrote will help us to know more about marketing.

Alfred Stefferud, Office of Information, USDA, is the editor.

Distribution is mainly by members of Congress. Each member has a certain number of copies for free distribution among farmers, libraries, colleges, businessmen, and other persons and institutions. The Superintendent of Documents, Government Printing Office, Washington 25, D. C., has copies of *Marketing* for sale at \$1.75 each.



# "Bert" Newell's Letter to Crop and Livestock Reporters

MY SON, the "baby" of the family, is off to the Army. Seems funny to refer to a guy just past 19, over 6 feet and weighing 165 pounds, as the baby, but you know what I mean. It's a little tough to see him go, but after all, I remember when I enlisted at 18, I figured I was pretty much a man. He does too, and is. Doesn't seem like any time since he was running around playing Indians with the kids in the neighborhood, and now, all at once, he comes in with this decision to enlist. It's the best thing to do, I guess. We must be getting old, fellows.

Thinking of how time gets by reminds me that Thanksgiving is just around the corner, 1954 nearly gone; and here we are heading into our fall rush of final reports on acreage harvested, production, livestock inventories, and all the rest of those big jobs that come at the end of the year.

This fall is particularly important too, because it is the Census year. You know every 5 years we get a full Census of Agriculture; and, believe me, it is most important to all of us—that means you, and me, and all the rest—that we get a good one. The Census of Agriculture gives our crop and livestock reporting service the basing points for carrying on our month-to-month and year-to-year service. You see in estimating acreage, for example, we work on the basis of changes from one year to another. So every so often we have to have a checkup and get a new basing point. Engineers call this kind of point a "bench mark." Actually this system enables us to do our work much more economically and more rapidly.

But the Census is much more than just a benchmark. Actually it provides a great volume of information on agricultural business that is not available from any other source. All of this information is needed by everyone concerned with agriculture, and that includes just about everyone. Who ever heard of a business that didn't need a good inventory once in a

while? Well, with around 5½ million farms, it is quite a job to take a complete inventory. So our friends over in the Bureau of the Census are starting out early in October to collect the information.

Now I don't have to sell our cooperative reporters on the need for accurate information on acreage, production, livestock numbers, and so on because you (*leaders in your community*) understand these things. But I would like to ask you to give these Census boys a lift by passing the word on to your neighbors to help out by giving as full and accurate information as they possibly can. Remind your neighbors, too, that the information they supply cannot be used in any way except for statistical purposes. The information for each farm is absolutely confidential—it *must* be because the law forbids disclosure to anyone except a sworn employee of the Census.

Does your wife get after you about calling everyone, up to 65, *boys*? Mine does. Well, maybe I shouldn't have said the *Census boys*—anyway, they are our good friends, so let's give them a hand.

Sterling R. Newell, Chairman  
Crop Reporting Board, AMS

## Brief Items of Interest to Farmers

**FOREIGN TRADE DEVELOPMENT**—The go-ahead sign has been given to begin operations under the Agricultural Trade Development and Assistance Act of 1954, sometimes known as the billion-dollar disposal program. On September 9 President Eisenhower signed the Executive order which gives the U. S. Department of Agriculture, through the Foreign Agricultural Service, major responsibility for carrying out the 700 million dollar sales portion of the program. The Foreign Operations Administration will be responsible for the 300 million dollar relief portion of it. The act makes 700 million dollars in CCC funds or commodities available for use in selling United States farm surpluses to friendly countries and for accepting their own currencies in return.

**METHODS OF STORING WHITE POTATOES**—including design and layout of storage structures—are presented in a new *Agricultural Marketing Service* publication, "White Potato Storages for New Jersey, Long Island, and Southeastern Pennsylvania." Ask for *Marketing Research Report No. 70*.

**MORE U. S. COTTON TO FRANCE**—According to the September 6 Foreign Crops and Markets Report of the Foreign Agricultural Service, the French Government plans to import about 530,000 bales of cotton from the United States in 1954-55. This is 13 percent more than the estimated 470,000 bales imported from the United States in 1953-54.

**TAXES LEVIED ON FARM REAL ESTATE** in 1953 (payable largely in 1954) for the country as a whole were 5.4 percent higher than they were in 1952. This is the 11th consecutive year in which these taxes have increased. In 1953, levies totaled \$866 million compared with \$822 million in 1952. These levies were about 17 percent higher in 1953 than they were in 1950.

**GOOD SILAGE FROM CULL POTATOES**—Cull potatoes can be made into silage satisfactorily by adding 20 to 25 pounds of good quality hay or other dry forage to each 100 pounds of potatoes before feeding to dairy cattle. This is the conclusion of dairymen at Rutgers University who report that as little as

10 pounds of the hay helped produce satisfactory silage. Hay absorbs most of the excess water from potatoes, and the mixture ferments properly, claim the dairy specialists. They say the mixture is approximately equal to corn silage in feeding value but should be limited to about 40 pounds daily per 1,000 pounds of cow—also, a stronger silo is needed to withstand the weight of the heavy material.

**VALUES OF FARMLAND** remained essentially unchanged in three-fourths of the States during 4 months ending July 1. Index of average value per acre for the country as a whole for July 1 remained at 120 (1947-49=100), same as for March but 4 percent below a year earlier. Decline during the last year brings total decline in land values since post-Korean peak in July 1952 to 7 percent. Colorado shows greatest drop—22 percent, with values in Idaho and New Mexico down 17 percent. However, 10 States, mostly along the eastern seaboard, but also including Indiana, Michigan, and North Dakota, showed declines of less than 5 percent.

## Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Agricultural Marketing Service. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	Average		Sept. 15, 1953	Aug. 15, 1954	Sept. 15, 1954	Effective parity prices Sept. 15, 1954 <sup>2</sup>
	Base period price <sup>1</sup>	January 1947- Decem- ber 1949				
Basic commodities:						
Cotton, American upland (pound).....cents.	\$ 12.4	31.21	33.09	34.00	34.55	34.84
Wheat (bushel).....dollars.	4.884	2.14	1.92	2.03	2.07	2.48
Rice (cwt.).....do.	1.94	5.38	4.87	4.10	4.04	5.43
Corn (bushel).....do.	4.642	1.64	1.50	1.53	1.53	1.80
Peanuts (pound).....cents.	4.48	10.2	11.0	11.4	11.4	13.5
Designated nonbasic commodities:						
Potatoes (bushel).....dollars.	5.535	1.48	.982	1.41	1.16	1.50
Butterfat in cream (pound).....cents.	26.5	71.2	64.8	55.7	55.8	74.2
All milk, wholesale (100 lb.) <sup>6</sup> .....dollars.	1.68	4.42	4.43	3.89	4.10	4.70
Wool (pound).....cents.	\$ 20.9	46.0	54.1	54.2	52.8	58.5
Other nonbasic commodities:						
Barley (bushel).....dollars.	.484	1.37	1.12	1.01	1.05	1.36
Cottonseed (ton).....do.	25.50	71.60	51.50	61.30	61.60	71.40
Flaxseed (bushel).....do.	1.60	5.54	3.48	3.03	3.04	4.48
Oats (bushel).....do.	.311	.852	.714	.675	.711	.871
Rye (bushel).....do.	.605	1.82	1.12	1.08	1.25	1.69
Sorghum, grain (100 lb.).....do.	4 1.21	2.53	2.26	2.22	2.16	2.55
Soybeans (bushel).....do.	1.00	2.84	2.33	3.23	2.51	2.80
Sweetpotatoes (bushel).....do.	.988	2.36	2.57	2.59	2.36	2.77
Beef cattle (100 lb.).....do.	7.50	20.20	15.60	15.90	16.10	21.00
All chickens (pound).....cents.	10.6	29.3	24.2	21.5	19.2	29.7
Eggs (dozen).....do.	16.6	46.6	51.4	37.4	33.8	46.5
Hogs (100 lb.).....dollars.	7.34	21.90	23.90	21.60	19.70	20.60
Lambs (100 lb.).....do.	8.16	21.90	17.60	18.50	17.80	22.80
Calves (100 lb.).....do.	8.28	22.60	14.80	15.80	15.80	23.20
Oranges, on tree (box).....do.	8 2.29	1.23	.95	2.84	30.2	3 3.08
Apples, for fresh use (bushel) <sup>10</sup> .....do.	1.60	2.39	3.03	2.72	3.02	2.80
Hay, baled (ton).....do.	4 11.87	22.40	20.90	21.20	22.00	25.00

<sup>1</sup> Adjusted base period prices 1910-14 used for computing parity prices. Derived from 120-month average January 1944-December 1953 unless otherwise noted.

<sup>2</sup> Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

<sup>3</sup> 60-month average, August 1909-July 1914 for all cotton.

<sup>4</sup> 60-month average, August 1909-July 1914.

<sup>5</sup> Adjusted base period price 1910-14 derived from 10-season average prices 1944-53.

<sup>6</sup> Prices received by farmers are estimates for the month.

<sup>7</sup> Preliminary.

<sup>8</sup> 10-season average 1919-28.

<sup>9</sup> Transitional parity, 75 percent of parity price computed under formula in use prior to Jan. 1, 1950.

<sup>10</sup> Prices prior to July 1954 include some processing.

# Economic Trends Affecting Agriculture

Year and month	Industrial production (1947-49=100) <sup>1</sup>	Total personal income payments (1947-49=100) <sup>2</sup>	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) <sup>3</sup>	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Commodities	Wage rates for hired farm labor <sup>4</sup>	Commodities, interest, taxes and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average			100	100	100	100	100	100	100	100	100
1925-29 average	53		232	143	151	184	161	161	155	145	152
1935-39 average	54	34	199	118	124	121	125	119	110	117	116
1947-49 average	100	100	462	225	240	430	250	275	229	334	292
1950 average	112	112	515	232	246	425	256	249	186	340	280
1951 average	120	126	563	258	271	470	282	286	228	409	336
1952 average	124	134	593	251	273	503	287	302	206	353	306
1953 average	134	142	624	247	262	513	279	273	221	298	273
<b>1953</b>											
September	133	142	622	249	259		277	275	230	299	276
October	132	142	629	248	258	515	276	282	234	273	266
November	129	142	624	247	259		277	288	224	267	263
December	126	142	630	247	260		278	282	218	285	269
<b>1954</b>											
January	125	141	618	249	263	525	282	274	213	309	277
February	124	141	622	248	264		282	267	208	315	277
March	123	141	617	248	264		283	257	188	316	271
April	123	141	612	249	265	507	283	237	178	333	271
May	124	142	620	249	267		284	230	168	331	267
June	124	142	625	247	265		282	229	168	299	251
July	124	142	618	248	263	505	280	237	171	286	247
August	124		619	248	264		282	245	178	287	251
September					263		280	253	162	277	245

Year and month	Index numbers of prices received by farmers (1910-14=100)								Parity ratio
	Crops							All crops and live-stock	
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Com-mercial vege-tables		
1910-14 average	100	100	100	100	100	100	-----	100	100
1925-29 average	140	118	169	150	135	146	145	143	148
1935-39 average	94	96	172	87	113	91	107	98	108
1947-49 average	246	230	384	264	318	183	249	247	271
1950 average	224	193	402	282	276	194	211	233	258
1951 average	243	226	436	336	339	181	269	265	302
1952 average	244	234	432	310	296	191	274	267	288
1953 average	231	208	429	268	274	206	240	242	258
1953									
September	219	207	452	280	251	204	191	235	257
October	223	194	439	275	255	189	198	229	249
November	229	195	433	269	263	205	218	234	249
December	230	205	427	260	269	237	224	238	254
1954									
January	233	207	420	254	268	222	271	240	259
February	236	208	443	258	269	210	233	237	258
March	238	208	443	263	275	212	246	239	256
April	234	208	443	267	283	217	225	240	257
May	227	207	446	272	286	215	279	249	258
June	216	205	445	274	283	240	200	244	248
July	225	202	446	272	286	228	243	248	247
August	228	207	430	288	294	235	223	250	251
September	233	210	444	292	276	248	170	247	246

<sup>1</sup> Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

<sup>2</sup> Computed from reports of the Department of Commerce; monthly data adjusted for seasonal variation.

<sup>3</sup> Bureau of Labor Statistics.

<sup>4</sup> Farm wage rates simple averages of quarterly data, seasonally adjusted.

<sup>5</sup> Revised.

<sup>6</sup> Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.



## Special School Milk Program . . .

*(Continued from page 2)*

Schools which have already been serving milk can increase consumption. They can serve milk before school starts in the morning, and at other occasions throughout the day. And they can increase the amount of milk which a child drinks at lunch; many youngsters can readily drink more than the usual half pint of milk.

A larger rate of reimbursement is allowed these schools which already are serving milk; the Federal reimbursement is set at 4 cents per half pint for additional milk served by them. These reimbursement rates are set as maximums by the U. S. Department of Agriculture. But local States are given full authority to modify them, within the limits, according to local conditions.

Success of this Special School Milk Program depends, in large measure, on the efforts made locally to get more milk to children. And dairy farmers and distributors, and their associations, can do much to assure its effectiveness. They can work closely with schools in the areas they serve, helping them to increase consumption. One particularly important thing they can do is to check schedules of milk delivery to the schools, making sure these schedules are conducive to maximum use, or arranging adjustments wherever necessary to achieve that objective.

Consumption increases, through this Special School Milk Program, mean expanded markets for dairy farmers. The increased use of milk will also be helpful in solving our present dairy problem—a problem which Secretary Benson has pointed out is popularly termed overproduction, but should rightfully be called underconsumption.

Leonard R. Trainer  
*Agricultural Marketing Service*

## Outlook Highlights

*(Continued from page 10)*

mals, the supply per animal unit is only slightly larger than last year.

## Wheat

The strong wheat market this fall (reaching record levels for the season) reflects the small supply of "free" wheat, deterioration of the spring crop in the United States, and Canada, and unfavorable weather in Europe.

Total United States wheat supplies for the 1954-55 marketing year, which began July 1, are now estimated at about 1,868 million bushels, an all-time record.

## Cotton

The cotton crop deteriorated during August and was estimated at 11.7 million running bales as of September 1. Including carryover and imports, the total 1954-55 supply is estimated at 21.5 million bales. With disappearance expected to total 13.7 million, stocks next August 1 would be 7.8 million bales compared with 9.6 million on August 1, 1954.

UNITED STATES  
DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
WASHINGTON 25, D. C.  
OFFICIAL BUSINESS

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